

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
LYNCHBURG DIVISION

IN RE:)
)
BETTY L. McCLANAHAN,) Case No. 16-62232
)
Debtor)

OBJECTION TO CONFIRMATION OF AMENDED CHAPTER 13 PLAN

The United States of America, on behalf of the Internal Revenue Service (the “IRS”), objects to confirmation of Debtor’s Amended Chapter 13 plan on the following grounds:

1. On April 14, 2017, Debtor filed an amended Chapter 13 plan.
2. The IRS has a claim for pre-petition tax liability in the amount of \$276,442.73. Of this amount, \$213,663.55 is claimed as secured by notice of Federal tax lien; \$23,260.23 is claimed as an unsecured priority claim, and \$39,518.95 is claimed as an unsecured general claim. *See* Claim No. 2-2, filed June 1, 2017, which has not been the subject of a previous objection to claim.
3. The Debtor fails to provide adequately for the secured tax claim of the IRS, listing it at paragraph 5.A. of the plan. The IRS does not agree to this treatment of its claim. The Debtor’s pre-petition tax liability is not a regular contract payment. Further, the tax lien attaches to all of Debtor's right, title and interest to property. 26 U.S.C. § 6321. The plan must include the IRS' \$213,663.55 secured claim at paragraph 3.D. of the plan and provide for full payment of the secured tax claim with interest at 4 (four) percent as required by 11 U.S.C. § 1325(a)(5) and § 511.5.
4. The plan proposes at paragraph 11 “The principle source of funding for this plan will be the sale of some the Debtor’s real estate.” The plan proposes to pay an unspecified amount to

the IRS upon the sale of properties within one year of confirmation of the plan. The plan is too speculative and the IRS does not agree to this proposal. Without the IRS' agreement, the plan violates 11 U.S.C. § 1322(a)(2).

WHEREFORE, the IRS objects to confirmation of Debtor's Amended Chapter 13 Plan.

Respectfully submitted,

RICK A. MOUNTCASTLE
Acting United States Attorney

/s/ Matthew Miller
Matthew Miller, VSB 43034
Assistant United States Attorney
Western District of Virginia
Post Office Box 1709
Roanoke, Virginia 24008-1709
Telephone: (540) 857-2250
E-mail: MMiller@usdoj.gov

CERTIFICATE OF SERVICE

I hereby certify that I have this 6th day of June 2017, electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the following:

Douglas E. Little, Esq.
Herbert L. Beskin, Esq.

and have mailed by first class mail, postage paid, a copy of the document to the following non-CM/ECF participant:

Betty L. McClanahan
P.O. Box 230
Keswick, VA 22947

/s/ Matthew Miller
Matthew Miller
Assistant United States Attorney